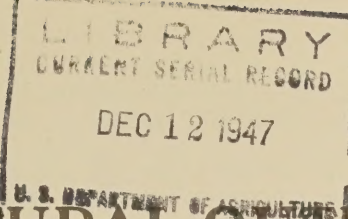


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The AGRICULTURAL OUTLOOK DIGEST

BUREAU OF AGRICULTURAL ECONOMICS, U. S. D. A.

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The general advance in prices, underway since July, is continuing.

Wholesale prices, according to the BLS index, climbed a little over 5 percent from July to October, slackened until mid-November, then resumed their advance.

The BLS retail price index rose nearly 4 percent from July to September. Retail food prices were up 5 percent in the same period. Later reports indicate that farmers paid somewhat higher prices for food in October than in the previous month.

Prices received by farmers in November dropped two points below the October record of 289 percent of the 1909-14 average. Sharpest drop was a \$3.20 decline in the average price of hogs. Prices of truck crops, cotton, dairy products and wheat were up moderately. Other price changes were small.

Prices, interest and taxes paid by farmers continued to edge upward and the index set a new record of 242 in November, 3 points above October. As a result, the parity ratio--prices received divided by prices paid--was down to 119, 2 points below October.

Record or near-record employment, production and incomes are keeping demand for farm products exceptionally strong.

Three hundred thousand more people were at work in October than in September, bringing total employment to 59.2 millions, 2.2 millions more than a year earlier. Commerce Department figures show that nonagricultural employment equaled the August record of 50.6 millions. Since 2 million more persons worked 35 hours or more in October than in August, the number of man-hours employed probably was a record. The number of workers on farms changed little from September to October.

Industrial production, according to the Federal Reserve index, was 189 in October, 3 points above September. Output of steel was a record; that of most other goods, both durable and nondurable, held at the September level or increased.

Personal incomes rose to an annual rate of 210 billion dollars in September, about 15 billions above August. Cashing of terminal leave bonds by veterans caused most of the increase.

Rising employment and wages pushed the annual rate of salary and wage payments to a record 124.3 billion dollars in September, 1.8 billion above August. In the first half of 1947, these payments averaged 118 billions.

Farmers' cash receipts totaled about 27.4 billion dollars through November this year, 24 percent more than in the same period of 1946. Marketings of livestock and products returned 27 percent more than last year. Receipts from crops were up about 20 percent.

LIVESTOCK AND PRODUCTS Meat production neared the seasonal peak in early November. But demand continued extremely strong and prices of meat remained very high.

Prices of grass cattle have been sliding lower since June but are expected to turn upward this winter and spring when marketings will fall off and demand for cattle for grazing will increase. However, marketings from feed lots may be relatively large through early spring since a larger proportion of cattle than usual are being grain fed a short time. As a result, sales of long-fed cattle may be small next summer and prices may rise more than usual.

Pigs from the 1947 crop came to market in volume in early November and prices declined. A seasonal upturn in prices is expected late this winter. Prices of lambs are expected to be unusually strong through early winter when slaughter supplies will be small.

In late November, prices of most dairy products were about the same as a year earlier. During the coming flush production season, prices probably will decline as usual, but not as sharply as in 1947.

In contrast to the usual trend, egg prices declined from mid-October to mid-November. As production turns upward, they are expected to fall to levels at or near price supports. Consumption of eggs is expected to continue very high for the next few months.

Marketings of turkeys are well below last year; those for chickens about the same. Prices of both probably will rise as supplies of poultry and red meats decline.

FEEDS October weather was favorable for maturing and drying the corn crop and the quality is better than had been expected. On November 1, the crop was estimated at 2,447 million bushels, only 11 million below the October figure. Total 1947 feed grain production is now estimated at 97.5 million tons, down 22 percent from the 1946 record.

Feed grain prices are only moderately below September records and are expected to stay high this winter and spring.

WHEAT It is now estimated that 250 million bushels of wheat will be fed livestock this year compared with the earlier estimate of 325 millions. Other domestic uses are expected to bring total U. S. disappearance to 835 million bushels out of the total supply of about 1,490 million bushels. If 500 million are exported, carry-over next July 1 will be about 150 millions.

Lack of rain in parts of Kansas, Oklahoma and Texas has helped boost wheat prices sharply since mid-August.

FATS AND OILS Stocks of fats and oils in factories and warehouses were moderately larger on October 1 than a year earlier when they were the smallest in 18 years. Total supplies for 1947-48 probably will be about the same as last year.

Prices of fats and oils in early November averaged 66 percent above June 1946, the last month they were controlled, but were 8 percent below the record set last March.

FRUITS AND VEGETABLES In December, prices of most fruits are expected to continue at about the levels of a year earlier. The following month, apples and pears probably will rise and citrus decline.

Output of truck crops produced for the fresh market this fall will be down sharply from last year but demand is continuing strong. Prices to farmers will be well above 1946. Strong demand for canned and frozen vegetables is expected to hold stocks to moderate levels at end of 1947 pack year.

Farmers' potato prices rose rapidly from October to November and probably will average above support levels through early January. Farmers' prices for sweetpotatoes are expected to rise more than usual in the next few months and to average well above supports.

Prices for dry edible beans and peas are expected to hold near recent levels in the next few months. Government purchases of peas for relief feeding abroad have been large; those of beans small.

COTTON AND WOOL Cotton prices edged upward during the last several weeks. Sales of spot cotton in October totaled 2,043,000 bales, the largest for any month on record. Domestic mills used about 826,000 bales, 14 percent more than in September but 12 percent less than in October 1946.

The CCC sharply revised selling prices for domestic wools in October. Prices of medium and coarse grades were cut 9 to 13 cents a pound; those for short length, fine and half-blood wools, 1 to 4 cents; prices for staple combing length fine wools were raised 1 to 3 cents. These prices apply to 1946 and 1947 clips. Wool from earlier clips will be sold at a 3 cent per pound discount from new schedule for 1946-47 wools.

TOBACCO Partly because the British stopped buying, prices of flue-cured tobacco were lower in November, averaging 39 cents a pound compared with 41.6 cents for all sales prior to the British announcement. This year's crop is near the 1946 record and the carryover is large.

Auctions for burley began December 1. Production is 14 percent below last year but total supply for 1947-48 is about the same as last year. Marketings of dark air-cured and Virginia fire-cured will be under way in December.